

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 8067

BILL NUMBER: SB 357

DATE PREPARED: Jan 11, 2001

BILL AMENDED:

SUBJECT: UCC Financing Statements.

FISCAL ANALYST: John Parkey

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FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: No Fiscal Impact

Summary of Legislation: This bill provides that a security interest, instead of an unperfected security interest, is subordinate to the rights of certain other persons with priority and to certain lien creditors. It eliminates the requirement that the debtor authenticate financing statements and amendments to financing statements. The bill requires a secured party to furnish a copy of the initial financing statement to the debtor not later than 30 days after the filing of the initial financing statement. The bill provides that the burden of establishing compliance with the requirement to furnish a copy of the initial financing statement falls on the secured party. It establishes remedies for the failure of a secured party to furnish a copy of the initial financing statement to a debtor. The bill allows a debtor to recover an additional \$500 from a secured party that does not furnish a copy of the initial financing statement to a debtor. The bill makes certain changes to conform to uniform law.

The bill also makes technical corrections.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: